APPENDIX K

EXAMPLES OF ALLOCATION

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For example, in a particular three-year period a project is allotted 300,000 cy. The project uses 225,000 cy and banks 75,000 cy. The subsequent three-year period the same project is allotted 251,500 cy. The banked amount would be reduced by the same amount as the new allotment, 16.2 percent. The project would then have 251,500 +(1-16.2) 75,000 or 314,350 cy at the beginning of the allotment period.

For purposes of demonstrating how the allocation plan will work the following assumptions are made:

- Phase I has been in place for seven years (about half the transition period)
- The annual volume for the seventh year was 2,919,743 cy (7 percent over the trigger)
- The annual volume for the eighth year was 2,312,613 cy (5 percent over the trigger)
- The total allocation for in-Bay disposal in the eight year is 1,915,207 cy.
- Project A is a yearly-dredging project that historically dredges an average of 100,000 cy per year. Therefore, each yearly episode is 100,000 cy.
- Project B has a seven-year dredging cycle that historically dredges 100,000 cy per year. They have not dredged for the past six years and are planning to dredge in the eighth year. Therefore each episode is 700,000 cy every seven years.

Because the annual volume exceeded the goal for two years in a row and during the review process there were no circumstances that ameliorated the criteria for moving to Phase II, and the review process resulted in the agencies determining that Phase II should commence, the following allocations will be made. The transition is in the ninth and allotments are being calculated for the tenth year. The first four years Project A would have been allotted 119,505 for the first four years or 478,020 cy. We will assume that over the four-year period they in fact dredged their long-term average of 100,000 cy per year, or for the four-year period 400,000 cy. This means they have banked 78,020 cy. The first step down is 16.2 percent so the banked amount is depreciated by 0.838 X 78,020 (1-0.162 = .838) which is 65,381 cy. The allotted amount for the next three year transition period (years five through seven) is 0.838 times the original allotment or 0.838 X 119,505 which is 100,145 cy per year, or for the three years 300,436 cy. This amount plus the depreciated banked amount is (300,436 + 65,381) 365,381 cy. Again we'll assume that they had to dredge their average of 100,000 cy per year for this period or 300,000 cy. Subtracting the dredged amount from the allotment (365,381-300,000) leaves 65,381 cy in the bank. Again this amount must be

depreciated, again by 16.2 percent. This will leave 54,789 cy in Project A's bank. For the third transition period (years eight through ten) the allotment is 67.7 percent of the original allotment or 0.677 X 119,505 which is 80,905 cy per year. This is 242,715 cy for the three-year period. This allotment plus the banked amount is 297,504 cy. Assuming that they dredge the average amount for years eight and nine of 100,000 cy each year, then they will have 97,504 cy allotted for year ten. They would be free to dispose of up to this amount in-Bay. Any amount less than the allotment could be banked, but would be subject to depreciation when moving to the eleventh year. See Table K-1 below for details.

Table K-1: Project A

Year	Allotment	Used	Available	Banked
1	119,505	100,000	19,505	
2	358,515	100,000	278,020	
3		100,000	178,020	
4		100,000	78,020	65,381
5	300,436	100,000	265,817	
6		100,000	165,817	
7		100,000	65,817	55,154
8	242,715	100,000	197,869	
9		100,000	97,869	
10		97,869	0	0
11	184,635	102,131	82,505	
12		82,505	0	
13		0	0	0
14	126,556	126,556	0	
15		0	0	
16		0	0	0
17	126,556	126,556	0	

Project B would receive 119,505 cy each year before the transition period and by second year of the transition would have available 597,525 cy. In the second year they also receive an allotment of 358,515 cy. This provides them with a total of 956,040 cy when they dredge in the third year. Assuming they dredge their average quantity, they will have 256,040 cy carried over. This banked amount is depreciated in year five to 214,562 cy, and they receive a three-year allotment of 300,436 cy. This provides a total of 514,998 cy that are banked. In the eighth year this becomes depreciated to 431,568 cy. In the same year they receive another three-year allotment, this time 242,715 cy. This provides a total of 674,283 cy that are banked and available for dredging in the tenth year. See Table K-2 below for details.

Table K-2: Project B

Year	Allotment	Used	Available	Banked
-4	119,505	0	119,505	
-3	119,505	0	239,010	
-2	119,505	0	358,515	
-1	119,505	0	478,020	
1	119,505	0	597,525	
2	358,515	0	956,040	
3		700,000	256,040	
4		0	256,040	214,562
5	300,436	0	514,998	
6		0	514,998	
7		0	514,998	431,568
8	242,715	0	674,283	
9		0	674,283	
10		674,283	0	0
11	184,635	0	184,635	
12		0	184,635	
13		0	184,635	154,724
14	126,556	0	311,191	
15		0	311,191	
16		0	311,191	260,778
17	126,556	260,778	0	